

**NORTH
AMERICAN
CAR**

NORTH AMERICAN CAR CORPORATION

33 West Monroe
Chicago, IL U.S.A. 60603
Telephone 312.853.5000
Telex #255222

September 15, 1982

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

13793
RECORDATION NO. Filed 1425

SEP 16 1982 - 2 20 PM

No. 591037
Date SEP 16 1982
Fee \$ 50.00
not
ICC Washington, D.C.

Dear Secretary:

INTERSTATE COMMERCE COMMISSION

I have enclosed an original and several counterparts of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is an Equipment Mortgage and Assignment of Leases, a primary document dated as of September 21, 1982.

The names and addresses of the parties are:

Mortgagor: North American Car Corporation
33 West Monroe Street
Chicago, Illinois 60603

Mortgagee: Marubeni Corporation, as Agent
4-2, Ohtemachi 1-chome
Chiyoda-ku, Tokyo 100
Japan

The Equipment covered by the document is described therein.

A fee of \$50.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the messenger delivering this letter.

A short summary of the document to appear in the index follows:

Equipment Mortgage and Assignment of Leases dated as of September 21, 1982, between North American Car Corporation, Mortgagor, in favor of Marubeni Corporation, as Agent, the Mortgagee, covering the Equipment described in said Equipment Mortgage and Assignment of Leases.

Very truly yours,

James M. Gillespie

JMG:bmt
Enclosures

RECEIVED
SEP 16 2 20 PM '82
FEE COLLECTION

Interstate Commerce Commission
Washington, D.C. 20423

9/16/82

OFFICE OF THE SECRETARY

James M. Gillespie
North American Car Corp.
33 West Monroe Street
Chicago, Illinois 60603

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 9/16/82 at 2:50pm, and assigned re-recording number(s). 13793 & 13794 & 13794-A

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

13793

RECORDATION NO. Filed 1425

EQUIPMENT MORTGAGE AND
ASSIGNMENT OF LEASES

SEP 16 1982 -2 50 PM

INTERSTATE COMMERCE COMMISSION

THIS EQUIPMENT MORTGAGE AND ASSIGNMENT OF LEASES dated as of September 21, 1982 (hereafter called this "Mortgage") is executed by North American Car Corporation ("NAC"), a Delaware corporation, in favor of Marubeni Corporation, a Japanese kabushiki kaisha, as representative for the Sellers named in the Master Sales Agreement referred to below (Marubeni Corporation, and its successors and assigns from time to time, when acting in such capacity, herein sometimes called the "Mortgagee").

W I T N E S S E T H:

WHEREAS, Aviquipo N.V., a corporation duly organized and existing under the laws of the Netherlands Antilles (the "Buyer"), has entered into a Master Sales Agreement dated as of August 30, 1982 (said Agreement, as it may be amended or otherwise modified from time to time, being herein called the "Master Sales Agreement") with Marubeni Corporation, Fuyo General Lease Co., Ltd. and Orient Leasing Co., Ltd. as Sellers (the "Sellers") and with Marubeni Corporation as Representative Seller (the "Representative Seller"), providing for the sale to the Buyer of the below-described railroad cars, upon the terms and conditions set forth therein;

WHEREAS, NAC has executed and delivered to the Representative Seller and the Sellers a Guarantee (the "Guarantee") dated as of August 30, 1982, unconditionally guaranteeing, among other things, the obligation of the Buyer to pay the principal of and interest on the Purchase Price (as defined in the Master Sales Agreement) of said railroad cars under and in accordance with the terms of the Master Sales Agreement; and

WHEREAS, it is a condition precedent to the sale under the Master Sales Agreement of said railroad cars that this Mortgage be executed, delivered and filed for recordation so as to secure the obligations of NAC under the Guarantee;

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, and to induce the Representative Seller and the Sellers to enter into the Master Sales Agreement, the parties hereto agree as follows:

Section 1. Collateral.

Section 1.1. Grant of Security Interest. In order to secure the prompt and faithful performance and observance by NAC

of all of its covenants and agreements contained herein and in the Guarantee including, without limitation, the agreement of NAC to pay the principal of and interest on the Purchase Price of the below referred to railroad cars on the terms and conditions provided in the Master Sales Agreement and the Guarantee (the "Obligations"), NAC does hereby assign, pledge, mortgage and grant a security interest unto the Mortgagee, for the benefit of the Sellers, in and to all of its right, title and interest in and to the following property (all such property hereinafter collectively called the "Collateral"):

(a) Any and all railroad cars described in Schedule A hereto (which is hereby made a part hereof and incorporated herein by this reference), as the same may from time to time be amended pursuant to any supplement substantially in the form of Schedule B hereto (or in such other form as may be satisfactory to the parties) which shall hereafter be delivered to the Mortgagee pursuant to the provisions of Section 2 (such railroad cars while the same shall be subject to the lien and security interest of this Mortgage being herein collectively referred to as the "Equipment"), together with, and the term "Equipment" shall include, all parts, attachments, appurtenances, accessories and accessions owned by NAC now or hereafter incorporated or installed in or attached to said railroad cars, and all substitutions, replacements and renewals of any and all such parts, attachments, appurtenances, accessories and accessions owned by NAC and all other property owned by NAC which shall hereafter become physically incorporated or installed in or attached to said railroad cars, whether the same is now owned by NAC or hereafter acquired by it;

(b) Any and all claims or rights under any warranty, express or implied, relating to any of the Equipment made by any manufacturer, subcontractor, owner or vendor thereof;

(c) Any and all leases, whether now or hereafter existing, of Equipment (the "Leases") between NAC as lessor and other persons as lessees (the "Lessees") entered into in the ordinary course of NAC's business, including, without limitation, (i) the right to receive all rent due thereunder, (ii) all claims for damages arising out of the breach of any Lease, (iii) the right, if any, to terminate any Lease, to perform thereunder and to compel performance of the terms thereof, (iv) the right to take possession of the Equipment, and (v) all other rights, claims and causes of action, if any, which NAC may have against any Lessee with respect to the Leases; and

(d) All proceeds of any and all of the properties described in paragraphs (a), (b) and (c) above including whatever is receivable or received when Collateral or proceeds are sold, collected, exchanged or otherwise disposed of, whether such disposition is voluntary or

involuntary, and including, without limitation, insurance proceeds from any loss or damage to any item of Equipment or any other proceeds resulting from any Event of Loss, and indemnity payments.

IT IS HEREBY AGREED by the parties hereto that the Collateral is to be held, used and operated subject to the further terms herein set forth.

Section 1.2. Definitions. Except as the context may otherwise require, terms defined in the Master Sales Agreement and used (but not otherwise defined) herein shall have the respective meanings attributed thereto in the Master Sales Agreement. The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Mortgage shall have the respective meanings hereinafter specified (the following definitions to be equally applicable to the singular and plural forms of the terms herein defined):

"AAR Value" means, with respect to each item of Equipment or Substituted Equipment, the so-called "Settlement Value" thereof as determined in accordance with the Interchange Rules adopted by the Association of American Railroads, Mechanical Division, Operations and Maintenance Department, in effect on the date on which the relevant AAR Value is to be determined, or if there are no such Interchange Rules then in effect (or if such Rules would not yield a "Settlement Value" for the Equipment or Substituted Equipment in question), the depreciated cost (as determined on a straight-line basis in accordance with accounting principles and practices generally accepted in the United States) of replacement by new railroad cars of the same or an improved model owned by NAC free and clear of any lien, charge or encumbrance whatsoever (other than a Lease).

"Assumed AAR Value" has the meaning attributed thereto in Section 1.12.

"Canadian Equipment" means the "Equipment" under and as defined in the Canadian Mortgage.

"Collateral" has the meaning attributed thereto in Section 1.1.

"Collateral Value" means, as of any date of determination thereof, (a) with respect to each item of Equipment or Substituted Equipment first put into service (by any Person) not more than 24 months prior to such date, 90% of the AAR Value (or, in the case of any item of Equipment which has suffered an Event of Loss, the Assumed AAR Value) thereof as of such date, (b) with respect to each item of Equipment or Substituted Equipment first put into service (by any Person) more than 24 months prior to such

date, 80% of the AAR Value (or, in the case of any item of Equipment which has suffered an Event of Loss, the Assumed AAR Value) thereof as of such date, and (c) with respect to each Letter of Credit, the then undrawn face amount thereof.

"Default" means an Event of Default or an event which with the lapse of time or the giving of notice or both would constitute an Event of Default.

"Equipment" has the meaning attributed thereto in Section 1.1.

"Event of Default" has the meaning attributed thereto in Section 3.

"Event of Loss" has the meaning attributed thereto in Section 1.12.

"Insured Amount" has the meaning attributed thereto in Section 1.6.

"Leases" and "Lessees" have the meanings respectively attributed thereto in Section 1.1.

"Letter of Credit" means an irrevocable standby letter of credit issued in favor of the Mortgagee by a first-class bank acceptable to the Mortgagee substantially in the form of Schedule C, provided that a Letter of Credit scheduled to expire before the final Installment Date need not provide for a certificate in the form of Alternative B referred to in Schedule C, and a Letter of Credit scheduled to expire not less than 100 days after the final Installment Date need not provide for a certificate in the form of Alternative C referred to in Schedule C.

"Master Sales Agreement" has the meaning attributed thereto in the first recital clause hereof.

"Mortgagee" has the meaning attributed thereto in the introductory paragraph hereof.

"NAC Equipment" means Equipment other than Canadian Equipment.

"Obligations" has the meaning attributed thereto in Section 1.1.

"Officer's Certificate" means a certificate signed by the President, any Vice President, the Treasurer or any Assistant Treasurer of NAC.

"Opinion of Counsel" means an opinion in writing signed by legal counsel who shall be satisfactory to the Mortgagee and who may be an employee of or of counsel to NAC.

"Perfected Jurisdictions" means jurisdictions in which all filings, registrations and recordations required pursuant to Section 5.5 hereof, Section 5.5 of the Canadian Mortgage and Section 4.F of the Assignment have been duly effected and remain in full force and effect.

"Permitted Liens" has the meaning attributed thereto in Section 1.11.

"Request" means a written request for the action specified therein, delivered to the Mortgagee, dated not more than 10 days prior to the date of receipt thereof by the Mortgagee and signed on behalf of NAC by the President, any Vice President, the Treasurer or any Assistant Treasurer of NAC.

"Substituted Equipment" has the meaning attributed thereto in Section 2.1.

Each reference herein to a specific agreement or document shall, unless the context otherwise requires, be deemed to refer to such agreement or document as amended or otherwise modified from time to time.

Section 1.3. Payment. NAC will pay in lawful money of the United States of America and in immediately available funds the amount of the Obligations according to the terms and provisions of this Mortgage, the Guarantee and the other Operative Documents, or according to the terms of any modification hereof or thereof, when and as the same shall become due and payable.

Section 1.4. Representations and Warranties. NAC represents and warrants:

(i) That it is the owner of all of the Equipment, that there are no Liens against any of the Equipment (other than the rights of the Lessees under Leases complying with Section 1.10, the lien of the Canadian Mortgage on the Canadian Equipment, the lien of this Mortgage and the interest of the Tax Lessor under the Box Leases) or any Lease and that it has good right and lawful authority to assign, pledge, mortgage and grant a security interest in the same.

(ii) That it has not assigned, pledged or mortgaged, and hereby covenants that it will not assign, pledge or mortgage, so long as this Mortgage shall remain in effect, the whole or any part of the Collateral to anyone other than the Mortgagee.

Section 1.5. Receipt of Rent. NAC shall be permitted to receive and dispose of for its own account all monies due and to become due under the Leases and to exercise all rights and make all claims under the Leases for its own account, unless and until an Event of Default has occurred and is continuing. Upon the occurrence and during the continuance of any Event of Default, such rights shall devolve upon the Mortgagee and, upon the request of the Mortgagee, NAC or the Mortgagee in the name of NAC shall take all action necessary (including the giving of notice to the Lessees) to cause all monies due from the Lessees to be paid to the Mortgagee at such place as the Mortgagee or its assignees shall designate.

Section 1.6. Insurance. NAC shall at all times maintain insurance on the Equipment when such Equipment is in its possession or control. Such insurance shall be of the types customarily carried by corporations of established reputations engaged in the same or a similar business and of similar business standing and shall insure against risks of the kinds customarily insured against by such other corporations under similar circumstances. NAC shall keep in effect its present or equivalent policies of insurance on the Equipment, insuring against loss or damage resulting from such risks up to an amount at least equal to the greater (the "Insured Amount") of the actual fair market value or the AAR Value of the Equipment. All such policies shall provide that loss be payable to the Mortgagee and NAC as their respective interests may appear except that losses not in excess of U.S.\$400,000 may, so long as no Default shall have occurred and be continuing, be paid directly to NAC for repair or replacement of the damaged Equipment. When any of the Equipment is leased and is not in NAC's possession or control, NAC represents and warrants that it is NAC's practice, in lieu of insurance thereof by NAC, to require Lessees of such Equipment to bear the risk of loss of such Equipment, and NAC shall not be required to insure any Equipment the risk of loss of which is borne by the Lessee thereof; provided, however, if, in the event that any of the Equipment shall suffer an Event of Loss, NAC fails to perform its obligations under the third sentence of Section 1.12 within 30 days after the time required therein, the Mortgagee may by notice to NAC direct and require NAC to obtain and keep in effect policies of insurance whereby the Mortgagee is insured against loss or damage resulting from such risks to any of the Equipment in an amount not less than the Insured Amount. NAC will pay the premiums on all policies of insurance required to be maintained by NAC pursuant to this Section 1.6 and will deliver to the Mortgagee, at least once in every year, an Officer's Certificate stating that such insurance is in effect and naming the insurer or insurers. If NAC shall fail to maintain such insurance or fail to deliver such certificate, the Mortgagee may (but shall be under no obligation so to do) cause the Equipment to be insured in such amount as the Mortgagee shall deem advisable and may demand and recover from NAC the premiums on such insurance, plus any financing expense

incurred by the Mortgagee in order to pay such premiums, such amounts to be added to the Obligations secured by this Mortgage.

Section 1.7. Inspections. The Mortgagee shall have the right, at its own expense, to inspect the Equipment and the records with respect thereto at such reasonable times as the Mortgagee may request.

Section 1.8. Marking of Equipment. NAC will keep and maintain, or cause to be kept and maintained, plainly, distinctly, permanently and conspicuously marked on each side of each railroad car constituting part of the Equipment in letters not less than one inch in height, the following:

"OWNERSHIP SUBJECT TO AN EQUIPMENT TRUST OR SECURITY AGREEMENT AND/OR VESTED IN A TRUSTEE OR OTHER PERSON OR ENTITY AS SET FORTH IN A BAILMENT AGREEMENT OR LEASE FILED WITH THE INTERSTATE COMMERCE COMMISSION."

or other appropriate words on the side of such railroad car with appropriate changes and additions thereto as from time to time may be required by law in order to protect the Mortgagee's security interest in the Equipment and its rights hereunder. Once the Equipment is so marked, NAC will not permit the serial number of any item of Equipment to be changed.

The Equipment may be lettered "NORTH AMERICAN CAR CORPORATION" or in some other appropriate manner for convenience of identification of the ownership by NAC thereof and may also be lettered in such manner as may be appropriate for convenience of identification of the interests therein of any Lessee under a Lease complying with Section 1.10; but NAC will not allow any name to be placed on any of the Equipment as a designation which might be interpreted as a claim of ownership thereof by any person other than NAC, or as an indication of any Lien thereon (except the interests of the Lessees as aforesaid) except as provided above; provided that nothing in this paragraph shall prevent the marking of the Canadian Equipment in the manner permitted in Section 1.8 of the Canadian Mortgage.

Section 1.9. Compliance with Laws and Rules. During the term of this Mortgage, NAC will comply, and will require each Lessee or user of the Equipment to comply, with all rules, regulations, orders and laws pertaining to the use, operation or maintenance of the Equipment under the laws of all the jurisdictions in which its or such Lessee's or user's operations involving the Equipment may extend, including without limitation all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the use, operation or maintenance of the Equipment; and in the event that such laws or rules require the alteration of the Equipment, NAC will give notice thereof to the Mortgagee, and will, or will cause the

appropriate Lessees or users to, conform therewith, at its or their expense, and will maintain the same in proper condition for operation under such laws and rules; provided, however, that NAC, in good faith, may contest or cause to be contested the validity or application of any such law or rule in any reasonable manner which does not adversely affect the property or rights of the Mortgagee under this Mortgage.

Section 1.10. Possession and Use. So long as no Event of Default shall have occurred and be continuing, NAC shall be entitled to the possession and use of the Equipment, but only on and subject to the terms and conditions of this Mortgage. In furtherance of the foregoing, it is expressly understood and agreed that NAC will not, without the prior written consent of the Mortgagee, sell, assign, lease or otherwise dispose of or relinquish possession of, or suffer or allow to pass out of its possession or control, any of the Equipment, except that so long as no Event of Default shall have occurred and be continuing, NAC may:

(i) on the date hereof, sell, subject to the lien of this Mortgage, the Canadian Equipment to NAC Canada pursuant to the Canadian Resale Agreement on the terms and conditions set forth therein and in the Canadian Mortgage, and on the date on which any Substituted Equipment shall become subject to this Mortgage, sell, subject to the lien of this Mortgage, such Substituted Equipment to NAC Canada, provided that (a) such sale shall be pursuant to a Supplemental Resale Agreement and other documentation in form and substance satisfactory to the Mortgagee, (b) NAC shall cause such Substituted Equipment to be subjected to the lien of the Canadian Mortgage in accordance with Section 2 thereof, (c) NAC shall comply with the provisions of Section 2.3 hereof to the extent that such Substituted Equipment was substituted for NAC Equipment and/or Letters of Credit under Section 2 hereof, (d) nothing in the foregoing shall limit the right of NAC Canada to lease the Canadian Equipment in accordance with the provisions of Section 1.10 of the Canadian Mortgage, and (e) no such sale shall be permitted after the termination of the Canadian Resale Agreement, the Canadian Mortgage or the Assignment or after any release of all of the Canadian Equipment pursuant to clause (B) of Section 2.1 hereof; and

(ii) lease the Equipment to any railroad company or other corporation or entity; provided, however, that:

(a) NAC agrees to cause substantially the following language to appear in each Lease:

"It is understood that some of the cars furnished Lessee under this Agreement and the Lessor's rights under this Agreement may, at the time of delivery to Lessee or at some future time during the term of this Agreement, be subject to the terms of a Mortgage, Deed of Trust, Equipment Trust, Pledge or Assignment or

similar security arrangement. Lessee agrees that the cars may be stenciled or marked to set forth the ownership of such cars in the name of any mortgagee, trustee, pledgee, assignee or security holder and that this Agreement and Lessee's rights hereunder are and shall at all times be subject and subordinated to any and all rights of any mortgagee, trustee, pledgee, assignee or security holder. As to the cars subject hereto, this Agreement and the rentals hereunder may have been assigned and may in the future be assigned to the holder, if any, of the superior lien from time to time on each car as determined with reference to the filings with the Interstate Commerce Commission; provided, however, until notified to the contrary by any person reasonably proving to Lessee's satisfaction that he is the assignee of this Agreement, or the rentals hereunder, the Lessee is to pay all rentals to the order of the Lessor. Lessee hereby consents to and accepts such assignments."

(b) NAC represents and warrants that it has used and agrees that it will continue to use its best efforts to cause substantially the following additional clause to be inserted in each Lease:

"Lessee agrees that no claim or defense which Lessee may have against Lessor shall be asserted or enforced against any assignee of this Agreement."

(c) NAC agrees to mark each executed counterpart of each Lease held by it with the following:

"This lease has been assigned to the holder of the superior lien from time to time on each car as determined with reference to the filings with the Interstate Commerce Commission."

The foregoing notwithstanding, NAC shall at no time keep or use or permit to be kept or used any of the Equipment in any jurisdiction other than the Perfected Jurisdictions; provided that, so long as no Default has occurred and is continuing, at any time after the third Installment Date Equipment with an aggregate Collateral Value not exceeding 5% of the aggregate Collateral Value of the Equipment and any Letters of Credit then held by the Mortgagee may be used or kept outside of the Perfected Jurisdictions, at any time after the fifth Installment Date Equipment with an aggregate Collateral Value not exceeding 10% of the aggregate Collateral Value of the Equipment and any Letters of Credit then held by the Mortgagee may be used or kept outside of the Perfected Jurisdictions and after the seventh Installment Date Equipment with an aggregate Collateral Value not exceeding 15% of the aggregate Collateral Value of the Equipment and any Letters of Credit then held by the Mortgagee may be used

or kept outside the Perfected Jurisdictions; and further provided that NAC shall at no time keep or use or permit to be kept or used outside the United States Equipment with an aggregate Collateral Value exceeding 50% of the aggregate Collateral Value of the Equipment and any Letters of Credit then held by the Mortgagee.

NAC covenants and agrees to furnish to the Mortgagee: (1) on or before June 1 in each year beginning with 1983, an Officer's Certificate stating, as to each Lease then in effect, the name and address of each Lessee thereunder, the identifying number of each unit of the Equipment subject thereto and the expiration date thereof, and also stating the serial number of each unit of the Equipment not then subject to any Lease; and (2) on or before December 1, 1982 and each June 1 and December 1 in each year thereafter, an Officer's Certificate as to NAC's compliance with the provisions of the penultimate paragraph of this Section 1.10 during the period since the previous such Officer's Certificate (or, in the case of the first such Officer's Certificate, since the date of this Mortgage).

Section 1.11. Taxes and Other Liens. NAC will pay or cause to be paid, or otherwise satisfy and discharge, any and all taxes and any and all sums claimed by any party by, through or under NAC which, if unpaid, might become a Lien upon the Collateral or any part thereof and will keep at all times all and every part of the Collateral free and clear of all Liens, other than the interest of any Lessee under any Lease complying with the provisions of Section 1.10, the lien of this Mortgage, the lien of the Canadian Mortgage (with respect to Canadian Equipment) and the interest of any lessor under a Box Lease or a lease relating only to Substituted Equipment which lease meets the requirements of Section 167(f)(8) of the Internal Revenue Code of 1954, as amended, provided that, notwithstanding such lease, the Mortgagee would be able to sell the Equipment free and clear of such lease and in such respect such lease shall be in form and substance satisfactory to the Mortgagee (the foregoing excluded liens and interests herein being collectively called "Permitted Liens"); provided, however, that NAC shall be under no obligation to pay any taxes or claims the validity of which are being contested by it in good faith and by appropriate legal proceedings so long as the non-payment thereof does not adversely affect the title, lien, property or rights of the Mortgagee in or to the Collateral under this Mortgage and NAC shall have furnished an Opinion of Counsel to such effect. If any Liens, taxes or claims for which NAC is liable as aforesaid shall have been charged or levied against the Mortgagee directly and paid by the Mortgagee, the amount thereof shall be added to the Obligations secured by this Mortgage, and NAC shall reimburse the Mortgagee upon presentation of an invoice therefor.

Section 1.12. Maintenance of Equipment. NAC agrees that it will, at its own expense, maintain and keep all the Equipment in good order and proper repair in accordance with

industry standards, unless and until it becomes worn out, unsuitable for use, lost or destroyed. Whenever any of the Equipment shall become worn out, unsuitable for use, lost or destroyed, or is requisitioned, taken over or nationalized by any governmental agency under the power of eminent domain or otherwise (any such event being hereinafter sometimes called an "Event of Loss"), NAC shall promptly deliver to the Mortgagee an Officer's Certificate describing such Equipment and stating the AAR Value thereof as of the date such Equipment suffered an Event of Loss (assuming the same was in the condition and state of repair required to be maintained hereunder) (such value hereinafter called the "Assumed AAR Value"). Whenever the Assumed AAR Value of all the Equipment having suffered an Event of Loss shall amount to U.S.\$500,000 or more, NAC shall within 30 days thereafter substitute therefor Substituted Equipment or cause to be furnished to the Representative Seller a Letter of Credit in accordance with the provisions of Section 2. NAC will bear the responsibility for and risk of, and shall not be released from its Obligations hereunder in the event of, any damage to or the destruction or loss of any or all of the Equipment.

NAC covenants and agrees to furnish to the Mortgagee, whenever required by the Mortgagee, and at least once, on or before June 1, in every calendar year commencing with the year 1983 and thereafter throughout the term hereof, an Officer's Certificate, dated as of the preceding April 30, stating (1) the amount, description and serial numbers of all Equipment that shall have suffered an Event of Loss since the date of the preceding statement (or the date of this Mortgage in the case of the first statement), and (2) that in the case of Equipment repainted or repaired since the date of the last preceding statement (or the date of this Mortgage in the case of the first statement) the plates or marks required by Section 1.8 have been preserved, or that such Equipment when repainted or repaired has been again plated or marked as required thereby.

Section 1.13. Substitution for Letters of Credit. NAC agrees that NAC will, no later than 30 days before the expiry date of each Letter of Credit expiring before the date falling 100 days after the final Installment Date, either extend such expiry date or substitute for such Letter of Credit substitute Letter(s) of Credit and/or Substituted Equipment with an aggregate Collateral Value not less than the then undrawn face amount of such Letter of Credit in accordance with the provisions of Section 2.

Section 2. Substitution and Replacement of Equipment.

Section 2.1. General. Upon Request, the Mortgagee shall, so long as no Default has occurred and is continuing and subject to the provisions of this Section 2, at any time and from time to time, (A) release from the lien of this Mortgage any of

the Equipment (1) which has suffered an Event of Loss, (2) which NAC sells to the Lessee thereof provided that the relevant Lease was entered into in the ordinary course of NAC's business, (3) which NAC Canada sells to the lessee thereof under a lease referred to in the Canadian Mortgage provided that such lease was entered into in the ordinary course of NAC Canada's business, or (4) the Collateral Value of which, when added to the aggregate Collateral Value of Equipment theretofore released pursuant to this clause (4) during the calendar year in which such Request is made, is not more than 5% of the aggregate Collateral Value of the Equipment and any Letters of Credit then held by the Mortgagee, (B) release from the lien of this Mortgage all of the Canadian Equipment (provided that only one such release shall be permitted under this clause (B)), or (C) return any Letter of Credit to the issuer thereof for cancellation; provided, however, that none of the Equipment shall be so released and no Letter of Credit shall be so returned unless simultaneously in substitution for the Equipment so released or the Letter of Credit so returned, (a) there shall be subjected to the lien of this Mortgage, standard gauge railroad cars first put into service after January 1, 1981 (other than passenger or work equipment) of the same car types as those at the time on lease in NAC's business and owned by NAC free and clear of all Liens other than Permitted Liens (herein called "Substituted Equipment") and/or (b) the Mortgagee shall receive one or more Letters of Credit, which Substituted Equipment and Letters of Credit shall have an aggregate Collateral Value which is not less than the aggregate Collateral Value of the Equipment proposed to be released and the Letters of Credit proposed to be returned and which, when added to the aggregate Collateral Value of the Equipment not proposed to be released, and of any Letters of Credit then held by the Mortgagee and not proposed to be returned, is not less than the then unpaid Purchase Price of the Rolling Stock under the Master Sales Agreement.

Section 2.2. Conditions for Substituted Equipment. At the time of delivery of any Request pursuant to Section 2.1, NAC shall, if Substituted Equipment is to be substituted for the Equipment proposed to be released and/or the Letters of Credit proposed to be returned, deliver to the Mortgagee the following papers:

(a) an Officer's Certificate stating (i) the Collateral Value, as of the date of said Request, of the Equipment proposed to be released and/or the Letters of Credit proposed to be returned, (ii) the Collateral Value of such Substituted Equipment as of such date, (iii) the Collateral Value of any Letters of Credit to be delivered therewith to the Mortgagee, (iv) the aggregate Collateral Value as of such date of the Equipment not proposed to be released and the Letters of Credit then held by the Mortgagee and not proposed to be returned, and (v) the computations used to ascertain said Collateral Values, with such supporting documentation as the Mortgagee may reasonably request;

(b) an Officer's Certificate stating (i) that each such unit so to be substituted is Substituted Equipment as herein defined, (ii) that no Default has occurred and is continuing, and (iii) that, in the opinion of the signer, all conditions precedent provided for herein relating to such substitution have been complied with;

(c) an executed counterpart of a supplement hereto, in substantially the form of Schedule B hereto (or in such other form as may be satisfactory to the parties), amending Schedule A hereto so as to subject such Substituted Equipment to the lien of this Mortgage; and

(d) an Opinion of Counsel to the effect (i) that NAC has good and valid title to each unit of such Substituted Equipment, free and clear of all Liens other than Permitted Liens, (ii) that such supplement has been duly authorized, executed and delivered by NAC and is valid and effective, either alone or together with any other instrument referred to in and accompanying such opinion, to validly create a security interest in and to such Substituted Equipment, free from all other Liens other than Permitted Liens, and (iii) that, in the opinion of such counsel, all conditions precedent provided for herein relating to such substitution have been complied with.

Section 2.3. Conditions for Substituted Equipment to be sold to NAC Canada. If any Substituted Equipment proposed to be substituted for NAC Equipment or any Letter of Credit hereunder is to be sold to NAC Canada on the date of such substitution pursuant to Section 1.10(i), then NAC shall at the time of delivery of any such Request pursuant to Section 2.1 deliver to the Mortgagee the following additional papers:

(a) an Officer's Certificate stating (i) that such Substituted Equipment was acquired by NAC for a full and adequate consideration, (ii) that immediately after such substitution such Substituted Equipment shall be sold to NAC Canada for a full and adequate consideration and in any case for a purchase price not less than the Collateral Value thereof, (iii) that such sale shall in all respects be on the terms of the Canadian Resale Agreement, and (iv) specifying the amount of such purchase price;

(b) a Supplemental Note duly executed by NAC Canada payable to the order of NAC and endorsed to the order of the Mortgagee to be held by the Mortgagee as additional security under the Assignment, the amount of which shall be as provided in the Officer's Certificate referred to above;

(c) a Supplemental Resale Agreement relating to such Substituted Equipment duly executed by NAC and NAC Canada and marked "Chattel Paper Original" (being the only executed

counterpart thereof so marked) to be held by the Mortgagee as additional security under the Assignment;

(d) an Opinion of Counsel to the effect that such Supplemental Note as so endorsed and such Supplemental Resale Agreement have been duly authorized, executed and delivered and constitute legal, valid and binding obligations of NAC enforceable in accordance with their respective terms except as enforceability may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors.

Section 2.4. Conditions for Letters of Credit. At the time of delivery of any Request pursuant to Section 2.1, NAC shall, if a Letter of Credit is to be substituted for the Equipment proposed to be released from the lien of this Mortgage or the Letter of Credit proposed to be returned to the issuer thereof, deliver to the Mortgagee papers corresponding to those set forth in clauses (a)(i), (a)(iii), (a)(iv), (a)(v), (b)(ii), (b)(iii) and (d)(iii) of Section 2.2 insofar as they relate to the action requested.

Section 3. Events of Default. In the event that any one or more of the Events of Default (an "Event of Default") under and as defined in the Master Sales Agreement shall have occurred and be continuing, then (1) in the event of the occurrence of any event referred to in paragraphs (ix) and (x) of Section 6 of the Master Sales Agreement the entire unpaid balance of the Obligations shall become and be immediately due and payable without notice of any kind, and (2) in the event of the occurrence of any other Event of Default at any time thereafter all or any portion of the unpaid balance of the Obligations shall, at the election of the Mortgagee, become and be immediately due and payable upon notice by the Mortgagee to NAC; and in any such event the Mortgagee may exercise any or all of the remedies referred to in Section 4 and/or such other remedies as may be otherwise provided by applicable law as the Mortgagee in its sole and complete discretion may then elect.

Section 4. Remedies.

Section 4.1. Remedies. Upon the occurrence and continuance of any Event of Default, the Mortgagee may, forthwith and, to the extent permitted by law, without notice to NAC (except as otherwise expressly provided in Section 4.2), do any one or more of the following acts regarding the Collateral, or any portion thereof:

(a) exercise any or all of the rights and remedies upon default, in foreclosure and otherwise, available to mortgagees or secured parties under the provisions of applicable law including, without limitation, all the rights and remedies under Article 9 of the Uniform Commercial Code as in effect in the State of Illinois (whether or not in effect in the jurisdiction where any of the Equipment may be located);

(b) institute legal proceedings for the specific performance of any covenants or agreements herein undertaken by NAC or for aid in the execution of any power or remedy herein granted;

(c) institute legal proceedings to foreclose upon and against the security interest granted in and by this Mortgage, to recover judgment for all amounts then due and owing as Obligations, and to collect the same out of any sale of the Collateral or of collections upon the Leases;

(d) institute legal proceedings for the sale, under the judgment or decree of any court of competent jurisdiction, of any Collateral;

(e) without regard to the adequacy of the security for the obligations under the Guarantee by virtue of this Mortgage or any other collateral or to the solvency of NAC, institute legal proceedings in any court of competent jurisdiction for the appointment of a receiver or receivers with respect to any or all of the Collateral pending foreclosure hereunder or otherwise upon such terms and with such powers as the Mortgagee may request and the court may permit;

(f) notify the Lessees under the Leases in the name of NAC or otherwise to make payments under the Leases directly to the Mortgagee, or as may otherwise be directed by the Mortgagee;

(g) personally or by agents or attorneys, enter upon any premises where the Collateral or any part thereof may then be located and take possession of all or any part thereof; and without being responsible for loss or damage to such Collateral, hold, store and keep idle, or lease, operate, or otherwise use or permit the use of, the Collateral or any part thereof, for such time and upon such terms as the Mortgagee may in its sole and complete discretion deem to be in its own best interest;

(h) demand, collect and retain all hire, earnings and other sums due and to become due in respect of the Collateral from any party whomsoever, accounting only for the net earnings arising from such use, if any, after charging against any receipts from the use of the same and from any subsequent sale thereof all costs and expenses of, and damages or losses by reason of, such use or sale;

(i) sell or dispose of all or any part of the Collateral, free from any and all claims of NAC or of any other party claiming by, through or under NAC at law, in equity or otherwise, at one or more public or private sales, in such place or places, at such time or times and upon such terms as the Mortgagee may determine, in its sole and

complete discretion and in light of its own best interests, with or without previous demand on or (except as otherwise expressly provided in Section 4.2) notice to NAC or advertisement of any such sale or other disposal; and for the aforesaid purposes, all notices of sale, advertisement and demands and any right or equity of redemption otherwise required or available to NAC under applicable law are (except as aforesaid) hereby waived by NAC to the fullest extent permitted by applicable law, provided that the power of sale hereunder shall not be exhausted by one or more sales, and the Mortgagee from time to time may adjourn any sale to be made pursuant to this Section 4.1; or

(j) by instrument in writing appoint any person or persons, whether or not an officer or officers or an employee or employees of the Mortgagee, to be a receiver or receivers of all or any part of the Collateral and remove any receiver or receivers so appointed and may appoint another or others in his or their stead; provided that (i) any such receiver shall, so far as concerns responsibility for his acts, be deemed the agent of NAC and in no event the agent of the Mortgagee, and the Mortgagee shall not in any way be responsible for any misconduct, negligence, or non-feasance on the part of any such receiver, (ii) subject to the provisions of the instrument appointing such receiver, any such receiver or receivers so appointed shall have power to take possession of the Collateral or any part thereof and to carry on or concur in carrying on the business of NAC and to sell or concur in selling all or any part of the Collateral and to borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof or the carrying on of the business of NAC and to further charge the Collateral in priority to the charge of this Mortgage as security for money so borrowed, and to sell, lease or otherwise dispose of the whole or any part of the Collateral on such terms and conditions and in such manner as he shall determine, (iii) except as may be otherwise directed by the Mortgagee, all monies from time to time received by such receiver shall be in trust for and paid over to the Mortgagee, (iv) the rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights or powers that the Mortgagee may from time to time have pursuant to any applicable law, and every such receiver may in the discretion of the Mortgagee be vested with all or any of the rights and powers of the Mortgagee, and (v) the term "receiver" as used in this paragraph includes a receiver and manager.

Section 4.2. Sale. Any sale of Collateral may be in one lot or as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Mortgagee may determine. In the event that any mandatory requirement of applicable law shall obligate the Mortgagee to give prior notice

to NAC of any of the acts specified in Section 4.1, NAC hereby covenants and agrees that a notice of such act sent to it as provided in Section 5.11 by telex or by certified mail, return receipt requested, at least seven Business Days before the date of any such act shall be and is reasonable notification of such act, including reasonable notification of the time and place of any public sale hereunder and reasonable notification of the time after which any private sale or other intended disposition to be made hereunder is to be made. Any Seller may bid for and become the purchaser of the Collateral, or any of it, so offered for sale.

At any sale pursuant to this Section 4, whether under the power of sale or by virtue of judicial proceedings, it shall not be necessary for the Mortgagee or a public officer under order of a court to have present physical or constructive possession of the Collateral to be sold. The recitals contained in any conveyances and receipts made and given by the Mortgagee or such public officer to any purchaser at any sale made pursuant to this Mortgage shall, to the extent permitted by applicable law, conclusively establish the truth and accuracy of the matters stated therein (including, without limiting the generality of the foregoing, the Obligations, the accrual and nonpayment thereof and advertisement and conduct of such sale in the manner provided herein and by applicable law); and all prerequisites to such sale shall be presumed to have been satisfied and performed. Upon any sale hereunder of any or all of the Collateral or any interest therein, the receipt of the officer making such sale under judicial proceedings or of the Mortgagee shall be sufficient discharge to the purchaser for the purchase money, and such purchaser shall not be obligated to see to the application thereof. Any sale hereunder of any or all of the Collateral or any interest therein shall forever be a perpetual bar against NAC with respect to such Collateral or interest therein, as the case may be.

Section 4.3. Demand for Possession of the Equipment.

In case the Mortgagee shall demand possession of the Equipment or any unit thereof in pursuance of this Mortgage and shall designate a point or points (which may, but need not, be upon premises occupied by NAC) for delivery of the Equipment or any unit thereof to the Mortgagee, NAC will at its own expense forthwith cause the Equipment or any such unit thereof to be moved to such point and there be delivered to the Mortgagee; and, at the option of the Mortgagee, the Mortgagee may keep the Equipment or any unit thereof on any lines of railroad or other premises approved by it, at the expense of NAC, until the Mortgagee shall have disposed of the same. The provisions of this Section 4.3 are of the essence of this Mortgage and, upon application to any court of equity having jurisdiction in the premises, the Mortgagee shall be entitled to a decree against NAC requiring specific performance hereof, and NAC will pay to the Mortgagee upon demand all expenses incurred in locating or taking possession of any Collateral, and all such expenses, with

interest thereon at the rate of 18% per annum, shall be included among the Obligations secured by this Mortgage.

Section 4.4. Mortgagee as Attorney. NAC hereby irrevocably appoints the Mortgagee the true and lawful attorney of NAC (with full power of substitution) in the name, place and stead of, and at the expense of, NAC in connection with the enforcement of the rights and remedies provided for in this Section 4: (i) to give any necessary receipts or acquittances for amounts collected or received under this Mortgage, (ii) to make all necessary transfers of all or any part of the Collateral in connection with any sale, lease or other disposition made pursuant hereto, and (iii) to execute and deliver for value all necessary or appropriate bills of sale, assignments and other instruments in connection with any such sale, lease or other disposition, NAC hereby ratifying and confirming all that its said attorney (or any substitute) shall lawfully do hereunder and pursuant hereto. Nevertheless, if so requested by the Mortgagee or a purchaser or lessor, NAC shall ratify and confirm any sale, lease or other disposition by executing and delivering to the Mortgagee or such purchaser or lessor all proper bills of sale, assignments, releases, leases and other instruments as may be designated in any such request.

Section 4.5. Disposition of Proceeds. If, as provided in this Section 4, the Mortgagee shall exercise any of the powers conferred by this Mortgage, all payments made by NAC to the Mortgagee hereunder and the proceeds of any judgment collected from NAC by the Mortgagee hereunder, and the proceeds of every sale, lease or other disposition of any of the Collateral, together with any other sums which may then be held by the Mortgagee under any of the provisions hereof, shall be applied in the following order of priority:

(a) To all proper charges, expenses and costs of taking, transporting, preparing and selling the Collateral (including legal expenses, taxes and payments with respect to liens prior to the lien of this Mortgage);

(b) To the payment of the Obligations in such order as the Mortgagee shall determine; and

(c) The remainder, if any, shall be remitted to NAC or as a court of competent jurisdiction may otherwise direct.

Section 5. General.

Section 5.1. Rights Cumulative. Each and every power and remedy hereby specifically given to the Mortgagee shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time simultaneously and as often and in such order as may be deemed expedient by the Mortgagee. All such powers and remedies shall

be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Mortgagee in the exercise of any such power or remedy, and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. No foreclosure of this Mortgage, pursuant to the terms hereof or as provided by law, shall release NAC until full payment has been made to the Mortgagee, in cash, of all amounts secured hereby. To the extent it lawfully may, NAC hereby waives the right to remove any legal action from the court originally acquiring jurisdiction. Any extension of time for payment hereunder or other indulgence duly granted to NAC shall not otherwise alter or affect the Mortgagee's rights or NAC's Obligations hereunder. The Mortgagee's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect NAC's Obligations or the Mortgagee's rights hereunder with respect to any subsequent payments or default therein.

Section 5.2. Expenses of Collection. NAC will pay all reasonable expenses, including attorneys' fees, incurred by the Mortgagee in enforcing its remedies under the terms of this Mortgage or preparing to enforce its remedies after a default hereunder. In the event that the Mortgagee shall bring any suit to enforce any rights hereunder and shall be entitled to judgment, then in such suit the Mortgagee may recover reasonable expenses including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

Section 5.3. Applicable Laws. Any provision of this Mortgage prohibited by any applicable law of any jurisdiction (which is not overridden by applicable Federal law) shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Mortgage. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by NAC to the full extent permitted by law, it being the intention of the parties hereto that this Mortgage shall be deemed to be, inter alia, a security agreement and enforced as such.

Section 5.4. Waiver. Except as otherwise expressly provided in Section 4.2, NAC, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease any or all of the Equipment and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of the Mortgagee's rights under this Mortgage and any and all rights of redemption. In consideration of the transactions contemplated herein, NAC hereby expressly waives and releases all its rights, benefits and protections given it by Sections 23, 24, 25, 26, 27 and 28 of the Chattel Mortgage Act of British Columbia and Sections 19, 20, 21, 22, 23 and 24 of the Sale of Goods on Condition Act of British Columbia, or any amending, successor or

similar legislation in the Province of British Columbia or elsewhere, where applicable.

Section 5.5. Recording. NAC will, at its own expense, cause this Mortgage and any amendments or supplements hereto to be filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act and the regulations promulgated thereunder and shall cause this Mortgage, any amendments or supplements hereto, any bill of sale delivered in connection with any sale of Substituted Equipment to NAC Canada under Section 1.10 and, if appropriate, financing statements relating to this Mortgage to be filed with any appropriate Canadian national governmental authorities and with any appropriate governmental authorities in the Canadian Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario so as to establish NAC's title to the Collateral as against third parties and to duly perfect the security interest in favor of the Mortgagee contemplated hereby; and NAC will promptly furnish to the Mortgagee opinions of counsel as to, and certificates covering or other evidence of, such filing, registration, depositing and recording. To the extent permitted by applicable law, NAC hereby authorizes the Mortgagee to execute and file any such documents, instruments or statements without the signature of NAC.

Promptly after the execution and delivery of this Mortgage and each supplement hereto, NAC will furnish to the Mortgagee an Opinion of Counsel stating that, in the opinion of such counsel, this Mortgage or such supplement, as the case may be, has been properly recorded and filed in compliance with the preceding paragraphs of this Section 5.5 and reciting the details of such action. NAC shall furnish to the Mortgagee, not later than June 1 in each year, commencing with the year 1983, an Opinion of Counsel stating either that, in the opinion of such counsel, (i) such action has been taken with respect to the recording, filing and registering and rerecording, refiling and reregistering of this Mortgage and each supplement hereto as is necessary to comply with the preceding paragraphs of this Section 5.5 and reciting the details of such action, or (ii) no such action is necessary for such purpose. In rendering any such opinion, such counsel may conclusively rely upon an Officer's Certificate as to the location of the Equipment or other factual matters relating to the Equipment covered thereby.

Section 5.6. The Mortgagee's Right to Perform for NAC. If NAC fails to make any payment required to be made by it hereunder or fails to perform or comply with any of its agreements contained herein, the Mortgagee may itself make such payment or perform or comply with such agreement (including, without limitation, the agreement of NAC to maintain insurance pursuant to Section 1.6), and the amount of such payment and the amount of the reasonable expenses of the Mortgagee incurred in connection with such payment or the performance of or compliance with such agreement, as the case may be, together with interest

thereon at the rate of 18% per annum, shall be payable by NAC to the Mortgagee on demand and shall constitute additional indebtedness secured by the lien and security interest of this Mortgage.

Section 5.7. Further Assurances. NAC shall, at the request of the Mortgagee, promptly correct any defect which may at any time hereafter be discovered in the contents of this Mortgage or in the execution, acknowledgment or delivery hereof, and execute, acknowledge and deliver to the Mortgagee such further documents and assurances and take such further action as the Mortgagee may from time to time reasonably request in order more effectively to carry out the intent and purpose of this Mortgage and to establish and protect the rights and remedies created or intended by the parties to be created in favor of the Mortgagee hereunder.

Section 5.8. Indemnification and Expenses. Without limiting its obligations under the Resale Agreement, NAC does hereby assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Mortgagee and its successors, assigns, representatives, agents and servants from and against, any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including legal expenses, of whatsoever kind and nature imposed on, incurred by or asserted against the Mortgagee or its successors, assigns, representatives, agents and servants (whether or not also indemnified against by any other person or entity), in any way relating to or arising out of this Mortgage or the ownership, lease, possession, use, operation, condition, sale or other disposition of any Collateral; provided that NAC shall not be required to indemnify any such Person for the gross negligence or the wilful misconduct of such Person or its successors, assigns, representatives, agents and servants. The Mortgagee agrees to give NAC prompt written notice of any claim or liability hereby indemnified against. The indemnities contained in this Section shall continue in full force and effect notwithstanding the termination of this Mortgage and shall be enforceable by the Mortgagee and any other entity indemnified hereunder, respectively, with respect to claims arising or liabilities incurred prior to such termination.

Section 5.9. Defense of Litigation. If the rights of the Mortgagee in the Collateral or any part thereof or the lien of this instrument thereon shall be in danger, or shall be attacked directly or indirectly, or if any legal proceedings are instituted against NAC or the Mortgagee with respect thereto, NAC will promptly give written notice thereof (to the extent known to it) to the Mortgagee and at its own cost and expense will exert itself diligently to cure any defect that may have developed or be claimed to exist and will take all necessary and proper steps for the protection and defense thereof and take such action as is reasonably appropriate to the defense of any such legal proceedings.

Section 5.10. Amendments, etc. No variation or modification of this Mortgage and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of NAC and the Mortgagee. All article headings are inserted for convenience only and shall not affect any construction or interpretation of this Mortgage.

Section 5.11. Notices. All notices hereunder to any of the parties designated below shall be deemed to be properly served if delivered, mailed or dispatched by telex with confirmed answerback to the respective addresses set forth below (or to such other address of which the party receiving notice shall have notified the party giving notice):

(a) To NAC: North American Car Corporation
33 West Monroe Street
Chicago, Illinois 60603
U.S.A.

Attention: Vice President
- Finance
Telex No.: 255222
Answerback: NORAMCAR CGO A

(b) To the Mortgagee: Marubeni Corporation,
as Representative Seller
4-2, Ohtemachi 1-chome
Chiyoda-ku, Tokyo 100, Japan

Attention: General Manager
Transport Equipment
Department
Telex No.: J22326
Answerback: MARUBENI

Section 5.12. Governing Law. This Mortgage shall be governed by and construed in accordance with the law of the State of Illinois, and the rights and remedies of the parties hereunder shall be determined in accordance with such law, except to the extent that the law of some other jurisdiction within the United States of America may be mandatorily applicable to proceedings taken for the enforcement of the rights of the Mortgagee; provided, however, that any remedies herein provided which are valid under the laws of jurisdictions where proceedings for the enforcement hereof are taken shall not be affected by any invalidity thereof under the laws of Illinois.

Section 5.13. Counterparts. This Mortgage may be executed in several counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement.

Section 5.14. Successors and Assigns. This Mortgage shall be binding upon NAC and inure to the benefit of the Mortgagee and its successors and assigns. NAC may not assign or transfer its rights

hereunder without the prior written consent of the Mortgagee. Without limiting the foregoing, the Mortgagee may assign its right, title and interest in and to all or any portion of this Mortgage (including the Collateral subject hereto), and all or any portion of its rights hereunder.

Section 5.15. Termination. Unless otherwise provided herein, this Mortgage and the lien and security interest granted by this Mortgage shall terminate when all obligations of NAC under the Guarantee and under this Mortgage shall be fully paid and performed. Upon termination of this Mortgage, as aforesaid, the Mortgagee shall execute and deliver to NAC, at NAC's expense, and without any recourse, representation or warranty, such instruments of release and termination as shall be appropriate in the premises.

IN WITNESS WHEREOF, the undersigned have caused this Mortgage to be executed by their respective duly authorized representatives as of the day and year first set forth above.

NORTH AMERICAN CAR CORPORATION

By 

Name:

Title:

MARUBENI CORPORATION

By 

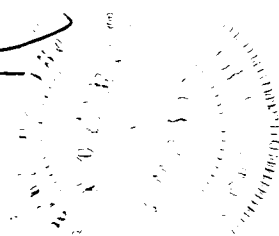
Name: Shuuji Soneoka

Title: Assistant Manager of
Transport Systems Section,
Transport Equipment Department

STATE OF ILLINOIS)
 : SS.:
COUNTY OF Cook)

On this 13th day of September, 1982, before me personally came James H. Ozone to me personally known, who, being by me duly sworn, says that he is President of North American Car Corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

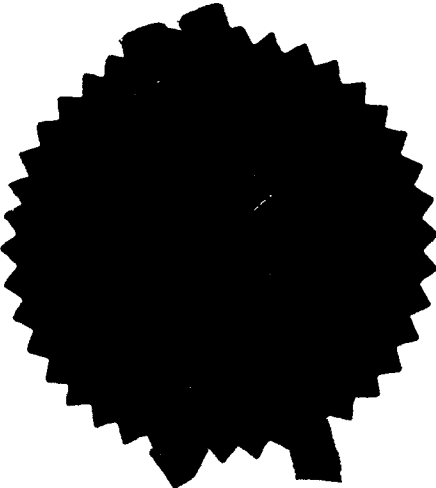
Brendt H. [Signature]
Notary Public

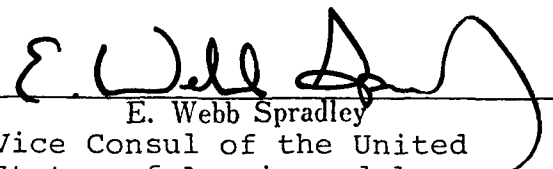


Japan)
City of Tokyo) ss:
Embassy of the United States of America)

I, E. Webb Spradley, Vice Consul of the United States of America, in and for Tokyo, Japan, duly, commissioned and qualified, do hereby certify that on this 14th day of September, 1982, before me personally appeared Shuuji Soneoka to me personally known, and known to me to be the individual described in, whose name is subscribed to the annexed instrument, and being informed by me of the contents of said instrument he duly acknowledged to me that he is an Assistant Manager of Transport Systems Section, Transport Equipment Department of the corporation described in which executed the annexed instrument; that he is the duly authorized officer empowered to sign his name thereto on behalf of said corporation; and that the same was executed freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year last above written.




E. Webb Spradley
Vice Consul of the United States of America, duly commissioned and qualified.

SCHEDULE A
to
Equipment Mortgage

DESCRIPTION OF EQUIPMENT

| <u>Quantity</u> | <u>Serial Numbers</u> | <u>Description</u> |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 15 | 57502-57516 | 100-ton, 4750 Cu.ft. Hopper Cars |
| 52 | 60114, 60119, 60122, 60125, 60471-60472, 60493-60495, 60704-60714, 60716-60733, 60736-60739, 60900-60908, 60931 | 100-ton, 5750 Cu.ft. Hopper Cars |
| 25 | 63600, 64232-64239, 64283-64298 | 100-ton, 4750 Cu.ft. Hopper Cars |
| 101 | 72827-72851, 72853-72870, 72872, 72874, 72881-72899, 72902-72912, 72914-72921, 73800-73801, 73803-73804, 73806-73807, 73809, 73813, 77357-77361, 77376, 77385, 77390, 77392, 77395 | 100-ton, 20,700 gal. capacity Tank Cars |
| 50 | 94403-94413, 94484, 94541-94545, 94547-94568, 390304, 390312-390315, 390328-390333 | 100-ton, P.D Hopper Cars |

QuantitySerial NumbersDescription

1002

456100-456108,
456110-456114,
456116-456160,
456162-456199,
486996-487009,
487011-487036,
487041,
487417,
487859-487910,
487912,
487915,
487917-487966,
488116-488160,
488162-488217,
488219-488223,
488225-488249,
488251-488329,
488368-488392,
488394-488565,
488567-488583,
488774-488808,
488810-488905,
488915-488932,
488934-488945,
488947-489037,
489039-489102,
489104-489106,
489141-489156

100-ton, 4750 Cu.ft.
Hopper Cars

27

550096-550108,
550114-550126,
550232

100-ton, P.D Hopper Cars

SCHEDULE B
to
Equipment Mortgage
and Assignment of Leases

SUPPLEMENT TO EQUIPMENT MORTGAGE AND ASSIGNMENT OF LEASES

THIS SUPPLEMENT TO EQUIPMENT MORTGAGE AND ASSIGNMENT OF LEASES (this "Supplement") dated as of _____, 19__, from North American Car Corporation, a Delaware corporation, having its principal office at 33 West Monroe Street, Chicago, Illinois 60603 (hereinafter called "NAC"), as mortgagor to Marubeni Corporation as representative for the Sellers under the Master Sales Agreement referred to below (in such capacity, the "Mortgagee").

WHEREAS, NAC has heretofore executed and delivered to the Mortgagee an Equipment Mortgage and Assignment of Leases dated as of September 21, 1982 (hereinafter, as at any time supplemented or amended, called the "Original Mortgage"), covering certain railroad cars of NAC to secure all obligations of NAC under a Guarantee (hereinafter, as at any time supplemented or amended, called the "Guarantee") dated as of August 30, 1982 guaranteeing the obligations of AviQUIPO N.V., under the Master Sales Agreement dated as of August 30, 1982 among AviQUIPO N.V., the Sellers named therein and Marubeni Corporation as Representative Seller and all obligations of NAC under the Original Mortgage, all as provided in the Original Mortgage; and

WHEREAS, the Original Mortgage has been duly recorded pursuant to the Interstate Commerce Act, as amended, on _____, 1982 at _____, M. with Recordation No. _____ of the Interstate Commerce Commission;

NOW, THEREFORE, THIS INSTRUMENT WITNESSETH that Schedule A to the Original Mortgage, as heretofore amended, is hereby amended and restated to be and read in its entirety as set forth in Annex I hereto, and that, to secure the payment of all amounts payable by NAC under the Guarantee and the Original Mortgage and the performance of the covenants therein contained and for the purpose of specifically subjecting the railroad cars listed in said Annex I to, and of confirming, the lien of the Original Mortgage, NAC does hereby grant, bargain, sell, transfer, convey and mortgage unto the Mortgagee and give to the Mortgagee a security interest in, and confirm the Mortgagee's existing security interest in, all of its right, title and interest in and to the property described in said Annex I together with all parts, attachments, appurtenances, accessories and accessions now or hereafter attached to or placed upon the

aforesaid property, and all substitutions, replacements and renewals of any and all such parts, attachments, appurtenances, accessories and accessions; which property, parts, attachments, appurtenances, accessories, accessions, substitutions, replacements and renewals shall constitute the entirety of the Equipment under the Original Mortgage.

TO HAVE AND TO HOLD all and singular the property aforesaid unto the Mortgagee as security as aforesaid and for the uses and purposes and subject to the covenants, agreements, provisions and conditions set forth in the Original Mortgage.

Except as amended hereby, the Original Mortgage is hereby ratified, approved and confirmed and shall continue in full force and effect, and the terms thereof are hereby incorporated herein by reference, and this Supplement shall form a part thereof.

This Supplement may be simultaneously executed in several counterparts, each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same Supplement.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused these presents to be signed in their respective corporate names by duly authorized officers as of the day, month, and year first above written.

NORTH AMERICAN CAR CORPORATION

By _____
Name:
Title:

MARUBENI CORPORATION

By _____
Name:
Title:

STATE OF ILLINOIS)
 : ss.:
COUNTY OF _____)

On this ____ day of _____, 1982, before me personally came _____, to me personally known, who, being by me duly sworn, says that he is _____ of North American Car Corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

(Accompanied by Japanese Version)

NOTARIAL CERTIFICATE

This is to certify that _____, an Agent
of _____, _____ of Marubeni
Corporation, has stated in my very presence that said
_____ acknowledges himself to have signed the
attached document.

(date)

(Seal)

(Name)

ANNEX I
to
Supplement to
Equipment Mortgage
and Assignment of Leases

AMENDED AND RESTATED
DESCRIPTION OF EQUIPMENT

Quantity

Serial Numbers

Description

Schedule C
to
Equipment Mortgage
and Assignment of Leases

FORM OF LETTER OF CREDIT

_____, 19__

Irrevocable Letter of Credit No. ____

Marubeni Corporation
as Representative Seller
4-2, Ohtemachi 1-chome
Chiyoda-ku, Tokyo

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit
No. _____ in favor of you or your assigns for the account of
North American Car Corporation for U.S.\$_____.

The above amount shall be payable, in whole or in part,
to you or your assigns against presentation to us of a sight
draft drawn on us by you or your assigns accompanied by a
statement signed and dated by you or your assigns in any of the
following alternative forms (provided that any statement in the
form of Alternative C shall be presented less than 30 days before
the expiry date of this Letter of Credit):

Alternative A

"The undersigned hereby certifies, in order to obtain
payment from (Name of Bank) under its Irrevocable Standby
Letter of Credit No. _____ in the amount of U.S.
\$_____, that the amount of this drawing represents an
amount equal to or less than the amount which is payable by
North American Car Corporation or its successors or assigns
under its Guarantee in favor of Marubeni Corporation, Fuyo
General Lease Co., Ltd., Orient Leasing Co., Ltd. and their
respective successors and assigns and the undersigned as
their representative dated as of August 30, 1982, as it may
be amended from time to time, which amount remains unpaid by
North American Car Corporation or its successors or
assigns."

Alternative B

"The undersigned hereby certifies, in order to obtain payment from (Name of Bank) under its Irrevocable Standby Letter of Credit No. _____ in the amount of U.S.\$ _____, that the amount of this drawing represents an amount which is equal to or less than the amount which is payable by North American Car Corporation or its successors or assigns under its Guarantee in favor of Marubeni Corporation, Fuyo General Lease Co., Ltd., Orient Leasing Co., Ltd. and their respective successors and assigns and the undersigned dated as of August 30, 1982, as it may be amended from time to time, and includes an amount equal to U.S.\$ _____, being the amount paid to the persons entitled thereto under said Guarantee (the "Avoidable Payment") within 90 days of the filing of a petition by or against North American Car Corporation or its successors or assigns in a proceeding under Title 11 of the United States Code which petition has been neither withdrawn nor dismissed as of the date hereof and which Avoidable Payment has been paid to a trustee in bankruptcy or other similar official in, or to a court having jurisdiction over, said proceeding."

Alternative C

"The undersigned hereby certifies, in order to obtain payment from (Name of Bank) under its Irrevocable Standby Letter of Credit No. _____ in the amount of U.S.\$ _____, that the amount of this drawing represents the full amount of Irrevocable Standby Letter of Credit No. ____ and that as of the date of presentation hereof (which presentation is being made less than 30 days prior to the expiry date of said Irrevocable Standby Letter of Credit No. _____), the undersigned has received no amendment to said Irrevocable Standby Letter of Credit No. _____ extending the expiry date thereof, nor has any additional Equipment been mortgaged to the undersigned and/or any other letter of credit been delivered to the undersigned in replacement for said Irrevocable Standby Letter of Credit No. _____ in compliance with the terms of the Equipment Mortgage and Assignment of Leases dated as of August __, 1982 between North American Car Corporation as mortgagor and the undersigned as mortgagee, as it may be amended from time to time."

We hereby agree with you and your assigns that any draft drawn under and in compliance with the terms of this Letter of Credit will be fully honored upon presentation as specified herein on or before _____, 19__ on which date this Letter of Credit shall expire. Payments by us will be made out

3.

of our own funds and not out of funds of North American Car Corporation or its successors or assigns.

This Letter of Credit is subject to the Uniform Customs and Practices for Documentary Credits (* Revision), International Chamber of Commerce Publication No. * .

(Issuing Bank)

By _____

Its _____

*Specify most recent revision.